

ANGLE

Scaling the business to drive continued momentum

6 June 2024

- ANGLE management anticipates achieving cashflow breakeven on a monthly basis by end-2025, following completion of its £8.775m gross fundraise (c £8.1m net), alongside its confidence in delivering strong FY24 revenue growth in line with current market expectations (FY24 revenue: £6.45m consensus). This will be driven by product sales growth from the newly established distributor network, expansion of the Pharma Services business, and planned launches of new Parsortix-based products and services. Management has guided to H124 revenue of £1.0m-1.3m, with c £2.5m of revenue (c 40% of consensus FY24e) already contracted to date, and a strong pipeline of opportunities. Three new Pharma Services deals with Eisai (HER2) and AstraZeneca (DDR and androgen receptor), secured in 2024, will contribute to the FY24 topline ([May 2024 Update](#)).
- FY23 revenues grew 120% to £2.2m (FY22: £1.0m), with growth from both products (FY23: £1.4m, +100%) and services (FY23: £0.8m, +67%). Improved gross margins (FY23: 70%; FY22: 59%) reflect the product-service mix. Ongoing cost control and implementation of cost saving initiatives ([January 2024 Update](#)) partially offset continued investment to support the utility and commercial uptake of the Parsortix system. Net loss narrowed to £20.1m (FY22: loss of £21.7m), in line with consensus. End-December 2023 cash was £16.2m, with £1.5m of R&D tax credits due (end-FY22: cash of £31.9m).
- Separately ANGLE raised £8.775m gross through: (1) a £3.75m subscription via the issuance of c 25m ordinary shares (utilising existing allotment authorities); and (2) a c £5m placing (c 33.5m shares) via a “cashbox” structure. The issue price of 15p represents a c 16.7% discount to the closing mid-market price on 4 June; new shares are expected to be admitted to trading on 11 June. There will also be an open offer to qualifying shareholders for up to £2.06m (on the basis of one new share for every 19 shares held), with expected admission around 24 June.
- The use of proceeds is to support ANGLE’s commercial plan, with £2.8m directed to staff and NGS resources to develop molecular assay content and new applications; £2.2m for commercial business development (salesforce and distributor expansion), product launches/marketing; £1.5m to develop clinical laboratory capability and capacity; and £2m for general working capital, balance sheet strength, and fees associated with the raise.

Trinity Delta view: ANGLE’s start to 2024 has been positive, with the execution of important new Pharma Services contracts with large pharma and securing c £8.8m (gross) in new funding to help widen the adoption of the Parsortix system. The new funds will be directed towards further building the products and service business lines, increasing headcount, and capex to augment laboratory capabilities for molecular applications. These initiatives should help build on the commercial momentum seen in FY23, with management confidence in delivering further revenue growth in FY24 and with cashflow break-even in sight. We suspend our valuation pending the closing of the fundraise; for reference our last published ANGLE valuation was £174m, or 67p/share.

Price	15.50p
Market Cap	£40.4m
Primary exchange	AIM
Sector	Healthcare
Company Code	AGL
Corporate client	Yes

Company description:

ANGLE is a specialist diagnostics company. Its proprietary Parsortix technology can capture and harvest very rare cells, including CTCs (circulating tumour cells), from a blood sample. The FDA clearance for its clinical use to guide precision cancer care should open up multiple commercial opportunities.

Analysts

Lala Gregorek

lgregorek@trinitydelta.org
+44 (0) 20 3637 5043

Philippa Gardner

pgardner@trinitydelta.org
+44 (0) 20 3637 5042

Philippa Gardner

pgardner@trinitydelta.org

+44 (0) 20 3637 5042

Lala Gregorek

lgregorek@trinitydelta.org

+44 (0) 20 3637 5043

Franc Gregori

fgregori@trinitydelta.org

+44 (0) 20 3637 5041

Disclaimer

Trinity Delta Research Limited ("TDRL"; firm reference number: 725161), which trades as Trinity Delta, is an appointed representative of Equity Development Limited ("ED"). The contents of this report, which has been prepared by and is the sole responsibility of TDRL, have been reviewed, but not independently verified, by ED which is authorised and regulated by the FCA, and whose reference number is 185325.

ED is acting for TDRL and not for any other person and will not be responsible for providing the protections provided to clients of TDRL nor for advising any other person in connection with the contents of this report and, except to the extent required by applicable law, including the rules of the FCA, owes no duty of care to any other such person. No reliance may be placed on ED for advice or recommendations with respect to the contents of this report and, to the extent it may do so under applicable law, ED makes no representation or warranty to the persons reading this report with regards to the information contained in it.

In the preparation of this report TDRL has used publicly available sources and taken reasonable efforts to ensure that the facts stated herein are clear, fair and not misleading, but make no guarantee or warranty as to the accuracy or completeness of the information or opinions contained herein, nor to provide updates should fresh information become available or opinions change.

Any person who is not a relevant person under section of Section 21(2) of the Financial Services & Markets Act 2000 of the United Kingdom should not act or rely on this document or any of its contents. Research on its client companies produced by TDRL is normally commissioned and paid for by those companies themselves ('issuer financed research') and as such is not deemed to be independent, as defined by the FCA, but is 'objective' in that the authors are stating their own opinions. The report should be considered a marketing communication for purposes of the FCA rules. It has not been prepared in accordance with legal requirements designed to promote the independence of investment research and it is not subject to any prohibition on dealing ahead of the dissemination of investment research. TDRL does not hold any positions in any of the companies mentioned in the report, although directors, employees or consultants of TDRL may hold positions in the companies mentioned. TDRL does impose restrictions on personal dealings. TDRL might also provide services to companies mentioned or solicit business from them.

This report is being provided to relevant persons to provide background information about the subject matter of the note. This document does not constitute, nor form part of, and should not be construed as, any offer for sale or purchase of (or solicitation of, or invitation to make any offer to buy or sell) any Securities (which may rise and fall in value). Nor shall it, or any part of it, form the basis of, or be relied on in connection with, any contract or commitment whatsoever. The information that we provide is not intended to be, and should not in any manner whatsoever be, construed as personalised advice. Self-certification by investors can be completed free of charge at www.fisma.org. TDRL, its affiliates, officers, directors and employees, and ED will not be liable for any loss or damage arising from any use of this document, to the maximum extent that the law permits.

Copyright 2024 Trinity Delta Research Limited. All rights reserved.

More information is available on our website: www.trinitydelta.org